



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1287

TO: Iowa Medicaid Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) Participating in the Medicaid Health Home Program

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise

DATE: September 11, 2013

SUBJECT: Iowa Medicaid Cost Report Changes

EFFECTIVE: Immediately

1. Due to recent implementation of the Medicaid Health Home program for members with chronic conditions, the IME has updated the Medicaid cost report for RHCs and FQHCs. The Health Home program pays enrolled Health Home providers a Per Member Per Month (PMPM) payment to provide six health home services:
 - Comprehensive Care Management
 - Care Coordination
 - Health Promotion
 - Comprehensive Transitional Care
 - Individual and Family Support Services
 - Referral to Community and Social Support Services

The costs associated with the activities listed above are not considered to be part of the face-to-face encounter, nor is the PMPM payment included as a payment in the year-end settlement calculation. Therefore, expenses associated with providing these services **should not** be included in the cost used to develop the RHC/FQHC encounter rate.

2. **Rural Health Clinics:** Line 2a has been added to the Medicaid cost report. Your organization will need to separately track and report all costs associated with providing the six services required by the Health Home on this line of the cost report.
3. **Federally Qualified Health Centers:** Line 37 has been added to the Medicaid cost report. Your organization will need to separately track and report all costs associated with providing the six services required by the Health Home on this line of the cost report.

We encourage providers to go to the website at www.ime.state.ia.us/Providers/Forms.html to download the Medicaid cost report forms. If you have questions, please contact the Provider Cost Audit and Rate Setting Unit at 800-863-8610 or 515-256-4610 (local in Des Moines) or email costaudit@dhs.state.ia.us.